

April 3, 2002

## **Before the Federal Communications FCC Washington, D.C.**

### **Comments on Notice of Proposed Rule Making Submitted by Carnegie Library of Pittsburgh**

The Carnegie Library of Pittsburgh appreciates the opportunity to comment on the Notice of Proposed Rule Making for the Schools and Libraries Universal Service Support Mechanism (E-rate). The enclosed comments are intended to make the E-rate program better for both applicants and the program administrator. Thank-you for the opportunity to comment on this important program.

#### **Comments:**

##### **Choice of Payment Method**

Applicants should continue to be permitted to select the funding option that works best for their organization:

1. discounts on services (discounted bills)
2. reimbursement from the service provider (applicant pays in full and is then reimbursed through the provider)

However, all service providers should be required to offer applicants the option of discounted bills or a modified BEAR reimbursement process. The modified BEAR reimbursement process would eliminate sending BEAR checks to service providers and then requiring service providers to send the checks to the applicants. This process is confusing and causes needless administrative problems for both the provider and applicant. A better method would be for the program administrator to send the BEAR payment directly to the applicant.

##### **Eligible Services List**

Services listed in the Eligible Services List are often too narrowly defined or contain contradictory language, and this can be confusing for applicants. Especially confusing are those items that are "conditionally eligible" since many applicants may not understand the distinctions that can make a service "eligible" or "ineligible".

##### **Internal Connections Discount**

Applicants should not be permitted to apply for internal connection discounts on an annual basis. Given the current E-rate rules, the same applicants can purchase equipment year after year at very high discount rates while other applicants never receive any priority two funding. Our position is not intended to penalize the neediest applicants (those in the 90% discount range), but rather allow more applicants to receive funding. The highest need applicants have had ample opportunity to apply for and receive funding for internal connections, and should certainly continue to receive funding, but not on an annual basis.